



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

July 5, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**EXERCISE OF OPTION TO ENTER INTO A FORTY-YEAR
GROUND LEASE AND JOINT USE AGREEMENT
WITH HACIENDA LA PUENTE UNIFIED SCHOOL DISTRICT
FOR A COMMUNITY CENTER AT 1234 VALENCIA AVENUE, HACIENDA HEIGHTS
(FOURTH DISTRICT) (3 VOTES)**

SUBJECT

This recommendation is for the exercise of the option to enter into a 40-year Ground Lease and Joint Use Agreement with Hacienda La Puente Unified School District.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that your Board, acting as the Board of Commissioners for the Community Development Commission, has previously considered and adopted an Environmental Assessment/Mitigated Negative Declaration prepared pursuant to the requirements of the California Environmental Quality Act, for the Hacienda Heights Community and Recreation Center project, to be located on an approximately seven-acre site owned by the Hacienda La Puente School District at 1234 Valencia Avenue within the unincorporated community of Hacienda Heights in Los Angeles County.
2. Approve the exercise of Los Angeles County's option to enter into a 40-year Ground Lease and Joint Use Agreement with Hacienda La Puente Unified School District and direct the Chief Executive Officer to deliver the Notice of Exercise of Option to the School District.

"To Enrich Lives Through Effective And Caring Service"

**Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only**

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

3. Approve and instruct the Mayor to execute the Ground Lease and Joint Use Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On January 27, 2009, your Board entered into an Option Agreement (Option) with the Hacienda La Puente Unified School District (District) that would allow the Los Angeles County (County) to enter into a 40-year Ground Lease and Joint Use Agreement (Lease) with the District for a parcel of land owned by the District at 1234 Valencia Avenue, Hacienda Heights. The site has not been used for classroom purposes for more than ten years, and the District's governing body has determined it will not be needed for this purpose in the foreseeable future. In order to meet constituent needs in the area, the County has been seeking a property for the purpose of organizing, promoting, and conducting recreational programs for the Hacienda Heights community.

The Option was for a three-year term and was intended to allow the County the time and opportunity to prepare a master site plan and complete the environmental review pursuant to the California Environmental Quality Act (CEQA). The County is entitled to exercise its option upon compliance with CEQA and approval of the Master Plan. Those conditions have been fulfilled.

On February 16, 2010, your Board approved the Environmental Assessment and Mitigated Negative Declaration prepared by the Community Development Commission (CDC) pursuant to CEQA, together with a Master Plan and awarded a contract for the architectural services for the construction of the Hacienda Heights Community and Recreation Center.

The recommendation herein would be to exercise the Option, and enter into a Lease with the District, allowing the County to proceed with the project for development of the property.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goals of Operational Effectiveness (Goal 1) directs that we provide the public with an effective delivery of services, and the Goal of Children, Family and Adult Well-Being (Goal 2) requires that we enrich lives through integrated, cost-effective and client-centered supportive services. The proposed Ground Lease and Joint Use Agreement will enable the construction of the community and recreation center serving the community and students of the District.

FISCAL IMPACT/FINANCING

The County will incur the costs related to the development of the property and the construction of the community center. Preliminary estimates indicate a total cost of approximately \$21.2 million dollars to construct the community center and related park site work. In exchange for the County incurring these costs and for allowing joint use of the property, the District agrees to provide the 40-year Lease to the County without payment of any additional rent. The County may extend the term of the Lease for one or more extensions of up to an additional 39 years, but the District may elect to charge an annual rental rate for any extension which will be negotiable, based upon the fair market value of the property, exclusive of improvements.

The actual construction costs of the improvements will be determined upon development of construction documents and bidding the project. The CDC will present the results of the bidding process for your Board's consideration, prior to the award of the construction contract.

1234 VALENCIA AVENUE HACIENDA HEIGHTS	GROUND LEASE AGREEMENT
Term (years)	40 years
Option to Extend	Option for one or more extensions for up to 39 years
Annual Rent	Construction of improvements/joint use. Option at a negotiable rate.
Utilities, Repair & Maintenance	Paid by the County
Cancellation Right	Anytime upon 180 days notice, and the transfer of the improvements to the District via a quitclaim deed

Funding for this project will be provided from the Fourth District, Puente Hills Landfill-Community Benefit and Environmental Trust Funds, and Fourth District Capital Project Funds.

Operating Budget Impact

Following completion of the project, Parks and Recreation (Parks) will maintain and operate the Center. As such, Parks anticipates a one-time start-up cost of approximately \$462,000 for office, kitchen and custodial equipment; building furnishings; and telephone, computer, security, and ticketing systems. Ongoing operating costs of approximately \$511,000 will be needed for utilities, recreation and maintenance staff, supplies and services. Parks will work with the Chief Executive Office (CEO) to confirm the appropriate level of funding and request the one-time and ongoing funds in the appropriate fiscal year's budget request that coincides with the year of project completion.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Option enabled the County to engage in a planning process for use of the property and to conduct the necessary investigation (soil report, hazmat report, etc.) and CEQA environmental review to determine if exercise of the Option would be appropriate.

The proposed Lease contains the following provisions:

- A base term of 40 years, with an option for an additional term or terms up to 39 years.
- All improvements will be owned by the County until the expiration or termination of the Lease. Upon termination of the Lease, whether at the end of the base term or at the end of any option period, if exercised, all improvements will revert to the District and the County will execute a quitclaim deed to effectuate this transfer, unless the District requests that County demolish the improvements.
- The terms, conditions and rental rate if any, for the extended period are subject to negotiations between the County and the District.
- The Lease details the terms of the shared use and allocation of operating costs.

The District governing body at its meeting on February 16, 2010, approved the Master Plan for the project.

This Lease is authorized by Section 10900, et seq. of the California Education Code.

County Counsel has approved the Lease as to form.

ENVIRONMENTAL DOCUMENTATION

On February 16, 2010, your Board approved the Environmental Assessment/Mitigated Negative Declaration prepared pursuant to the requirements of CEQA, and found that the incorporation of the mitigation measures identified in the Mitigation and Monitoring Plan will cause the project to have no significant impact on the environment.

The Honorable Board of Supervisors
July 5, 2011
Page 5

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return three adopted, stamped Board letters and three certified copies of the Minute Order and the executed Ground Lease and Joint Use Agreement to the CEO, Real Estate Division, 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:CEM
MS:hd

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Community Development Commission
Parks and Recreation

**DEPARTMENT OF PARKS AND RECREATION
PROPOSED NEW COMMUNITY CENTER
1234 VALENCIA AVENUE, HACIENDA HEIGHTS**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ²			X
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sq.ft. of space per person? ²			X
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program? 100%	X		
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy? The project is a joint effort between the County and Hacienda La Puente Unified School District to better serve the community.			
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment B?		X	
G	Was build-to-suit or capital project considered?	X		
3.	<u>Portfolio Management</u>			
A	Did department utilize CEO Space Request Evaluation (SRE)?			X
B	Was the space need justified?			X
C	If a renewal lease, was co-location with other County departments considered?			X
D	Why was this program not co-located?			
	1. ___ The program clientele requires a "stand alone" parking area.			
	2. ___ No suitable County occupied properties in project area.			
	3. <u>X</u> No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. ___ The Program is being co-located.			
E	Is lease a full service lease? ² County pays all construction, repairs, maintenance and utility costs associated with the use of the Center.		X	
F	Has growth projection been considered in space request?			X
G	Has the Dept. of Public Works completed seismic review/approval?			X
	¹ As approved by the Board of Supervisors 11/17/98			
	² If not, why not?			

GROUND LEASE AND JOINT USE AGREEMENT

by and between

HACIENDA LA PUENTE UNIFIED SCHOOL DISTRICT

and

COUNTY OF LOS ANGELES

for

**HACIENDA HEIGHTS COMMUNITY RECREATION CENTER
1234 VALENCIA AVENUE
HACIENDA HEIGHTS, CALIFORNIA**

dated

TABLE OF CONTENTS

	<u>Page</u>
RECITALS	1
ARTICLE 1. LEASE	2
ARTICLE 2. BASIC PROVISIONS.....	2
ARTICLE 3. TERM	3
ARTICLE 4. RENT	3
ARTICLE 5. USE	3
ARTICLE 6. OPERATIONAL COSTS.....	4
ARTICLE 7. DISCRETIONARY PERMITS.....	4
ARTICLE 8. EASEMENTS	5
ARTICLE 9. IMPROVEMENTS	5
ARTICLE 10. MAINTENANCE, REPAIR, DAMAGE AND DESTRUCTION	6
ARTICLE 11. INDEMNIFICATION AND INSURANCE	7
ARTICLE 12. ASSIGNMENT AND SUBLEASING	9
ARTICLE 13. DEFAULT AND REMEDIES	9
ARTICLE 14. HAZARDOUS MATERIALS	10
ARTICLE 15. OPTION TO EXTEND	11
ARTICLE 16. QUIET ENJOYMENT AND RIGHT OF ENTRY.....	11
ARTICLE 17. EMINENT DOMAIN.....	12
ARTICLE 18. PROPERTY RECORDS.....	12
ARTICLE 19. CANCELLATION	13
ARTICLE 20. GENERAL PROVISIONS	14
EXHIBIT A HACIENDA HEIGHTS COMMUNITY RECREATION CENTER LEGAL DESCRIPTION	

EXHIBIT B COUNTY RECREATIONAL PROGRAMS

EXHIBIT C INITIAL IMPROVEMENT PLAN

EXHIBIT D GENERAL SCHEDULING CONSIDERATIONS

GROUND LEASE AND JOINT USE AGREEMENT

(Hacienda La Puente School District/County of Los Angeles)
Hacienda Heights Community Recreation Center
1234 Valencia Avenue, Hacienda Heights, California

THIS GROUND LEASE AND JOINT USE AGREEMENT ("**Ground Lease/Use Agreement**") is effective as of _____, 20__ ("**Effective Date**") by and between the HACIENDA LA PUENTE UNIFIED SCHOOL DISTRICT, a school district organized and existing under the laws of the State of California ("**District**"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("**County**").

RECITALS

A. District is the owner of certain real property, consisting of approximately nine (9) acres located at 1234 Valencia Avenue in Hacienda Heights, California, legally described on **Lease Exhibit A**, attached hereto and made a part hereof by this reference (the "**Property**").

B. The Property has not been used for K-12 classroom purposes for more than ten years and the District's governing board has determined that it will not be needed for this purpose in the foreseeable future.

C. County seeks property for construction of a community center and related recreational and public improvements to be used jointly by County and District for the provision of recreation and community services and District is willing to lease the Property for such purposes. Pursuant to Education Code Section 17499 ("Naylor Act"), District is leasing the Property to County as part of its compliance with the Naylor Act for park and recreation use.

D. Sections 10900, *et seq.*, of the California Education Code authorize and empower District and County to cooperate with one another for the purpose of organizing, promoting and conducting programs of community recreation which will contribute to the attainment of general educational and recreational objectives for children and adults of this State and to acquire, construct, improve, maintain and operate recreational facilities.

E. Section 10910 of the California Education Code authorizes the District to use its buildings, grounds and equipment or to grant the use of its buildings, grounds or equipment to any other public authority for community recreational purposes.

F. District desires to lease the Property to County and County desires to lease the Property from District for the purpose of developing a community center and related recreational and public improvements on the Property for joint use by the parties in accordance with the terms set forth in this Ground Lease/Use Agreement.

NOW THEREFORE, in consideration of the covenants hereinafter contained, District and County agree as follows:

ARTICLE 1.
LEASE

1.1. District hereby leases the Property to County and County hereby leases the Property from District on the terms and conditions set forth herein.

ARTICLE 2.
BASIC PROVISIONS

2.1. **Basic Provisions.** For the convenience of the parties, certain basic provisions of this Ground Lease/Use Agreement are set forth herein, which provisions are subject to the remaining terms and conditions of this Ground Lease/Use Agreement and are to be interpreted in light of such remaining terms and conditions.

2.1.1 Address of the Property: 1234 Valencia Avenue
Hacienda Heights, California

2.1.2 Rent: Rent for the initial term is waived as consideration for County's improvement of the Property and District's use of portions of the Property.

2.1.3 (a) Term Commencement Date: _____

(b) Term Expiration Date: _____

(c) Option to Extend: _____

2.1.4 Permitted Use: Development and construction of improvements and any lawful use mutually agreed upon by District and County, including community recreation programs and activities, educational programs and other associated uses.

2.1.5 Address for Notices:

District:

Hacienda La Puente Unified School District
15959 E. Gale Avenue
Industry, CA 91745
Attention: Gary Y. Matsumoto, Ed.D.
Email: gmatsumoto@hlpusd.k12.ca.us

County:

Chief Executive Office
County of Los Angeles
222 South Hill Street
Los Angeles, CA 90012
Attn: Director of Real Estate
Email: wdawson@ceo.lacounty.gov

Fourth Supervisorial District
County of Los Angeles
1199 S. Fairway Drive, Suite 111
Rowland Heights, CA 91789
Attn: Dick Simmons
Email: dsimmons@bos.lacounty.gov

Department of Parks and Recreation
433 South Vermont Avenue
Los Angeles, CA 90020
Attn: Russ Guiney, Director
Email: rguiney@parks.lacounty.gov

2.2. **Exhibits.** The following exhibits are attached hereto and incorporated herein by this reference:

Lease Exhibit A - Legal Description of Property
Lease Exhibit B - County Recreational Programs
Lease Exhibit C - Initial Improvement Plan
Lease Exhibit D - General Scheduling Considerations

ARTICLE 3. **TERM**

3.1. **Commencement.** The term of this Ground Lease/Use Agreement shall commence on the date the option in the Option Agreement is exercised ("**Term Commencement Date**").

3.2. **Term.** The initial term of this Ground Lease/Use Agreement shall be that forty (40) year period beginning from the Term Commencement Date and ending _____ ("**Term Expiration Date**"), unless sooner terminated as hereinafter provided. County shall have the option to request an extension of the term for an additional period or periods totaling not more than thirty-nine (39) years (excluding the initial term), subject to terms in Article 15 below.

ARTICLE 4. **RENT**

4.1. **Waiver.** Annual rent payments are waived for the initial term of this Ground Lease/Use Agreement as consideration for County's improvement of the Property and District's shared use of portions of the Property.

ARTICLE 5. **USE**

5.1. Construction and Joint Use.

5.1.1 **County Use.** County shall use the Property for construction and operation of a community center and other public improvements for the provision of recreational and

community services and associated uses. **Lease Exhibit B** ("County Recreational Programs") is attached to illustrate the types of recreational programs currently contemplated by the Los Angeles County Department of Parks and Recreation ("Department") and County, at its sole discretion, may change the type, frequency, and duration of its recreational programming during the term of this Ground Lease/Use Agreement and for any extended term.

5.1.2 Joint Use. County is permitted to use the Property and Improvements thereon during the day and evening seven (7) days per week to conduct County Recreational Programs. District's use of the Property and Improvements shall be scheduled in accordance with **Lease Exhibit D** ("General Scheduling Considerations"), subject to the approval of the County's Director of Parks and Recreation ("Director"). Director's approval shall be contingent upon there being no conflict with the County Recreational Programs and shall not be unreasonably withheld.

5.2. Compliance with Law. County shall, at County's sole cost and expense, comply with all statutes, ordinances and regulations of all governmental entities. Upon completion of construction, if any license, permit or other governmental authorization is required for the lawful use or occupancy of the Property or any portion of the Property, County shall procure and maintain it, at County's sole cost and expense, throughout the term of this Ground Lease/Use Agreement.

ARTICLE 6. **OPERATIONAL COSTS**

6.1. Utilities. At all times during the term of this Ground Lease/Use Agreement, County shall pay the expenses of all utility services supplied to the Property or Improvements, including but not limited to all telephone, air conditioning, heating, electricity, gas, water and sewer units, together with any taxes thereon.

6.2. Performing Arts Center Costs. During the periods of the District's scheduled use of the Performing Arts Center portion of the Community Center, District shall reimburse County for County's costs associated with operating the lighting and sound system. Reimbursement is due and payable to the Department 30 days from receipt of invoice.

ARTICLE 7. **DISCRETIONARY PERMITS**

7.1. Applications. During the term of this Ground Lease/Use Agreement, District will, promptly upon County's request, sign (as owner of the Property) and acknowledge any application to any governmental entity having jurisdiction over the Property for any of the discretionary permits necessary for construction of the Improvements, provided that District incurs no cost (other than the administrative and consulting cost necessary for review). No such signing by District will be deemed to be District's acceptance of, or commitment to satisfy, any condition (i) in or precedent to a discretionary permit or (ii) adversely affecting District's interest in the Property.

ARTICLE 8. **EASEMENTS**

8.1. Utility Easements. District will execute (as owner of the Property), acknowledge and deliver to County for recording, any grant of easement (i) over, upon, across or under the Property or any portion thereof, (ii) in favor of any governmental subdivision or any gas, electric, telephone or similar company and (iii) for the purpose of (a) widening any street, (b) transmitting potable water, storm water, sewage, gas, electricity, telephone or other communication or (c) providing to the Property and the persons using and enjoying the Property such materials and services as are, from time to time customarily understood to be "utilities."

ARTICLE 9. **IMPROVEMENTS**

9.1. Construction. County shall construct improvements on the Property ("**Improvements**") in accordance with its improvement plans, any revisions and additional improvement plans (collectively, "**Improvement Plans**") at County's sole cost and expense, including the expense of design, permitting and construction. County shall obtain and provide to District a certificate of occupancy (or if the Improvement is not typically "occupied," a certificate of substantial completion from the architect) upon completion of the Improvements. The date of such certificate of occupancy or substantial completion shall be the "**Improvement Completion Date.**"

9.2. District's Approval. The Improvement Plans, any revisions and any additional Improvement Plans shall be subject to District's approval, which shall not be unreasonably withheld or delayed. The County's "Improvement Plans" shall consist of the Construction Documents for the Improvements contemplated to be built at that time and an estimated construction schedule for construction of those Improvements.

9.3. Initial and Additional Improvements. The County and District have agreed in writing upon the initial Improvements to be constructed by County, which list of agreed upon initial Improvements is incorporated into this Ground Lease/Use Agreement as **Lease Exhibit C.** Should County decide to construct additional Improvements after the initial Improvements, such additional Improvements shall be agreed to in writing between the District and County; the Improvement Plans shall be subject to District's approval, which shall not be unreasonably withheld or delayed; and the Improvement Plans shall be incorporated into this Ground Lease/Use Agreement as an addenda.

9.4. Commencement of Construction. Construction for the Improvements shall commence in accordance with the construction schedule approved with the Improvement Plans. The County shall not commence construction until it demonstrates to the District that sufficient funding is or will be available for completion of the Improvement Plans by providing copies of the Board of Supervisor's authorization of the funding.

9.5. Compliance with Laws. The Improvements shall be constructed and all work on the Property shall be performed in accordance with all valid laws, ordinances and regulations of all federal, state, county or local governmental agencies having jurisdiction over the Property,

including but not limited to the Americans with Disabilities Act of 1990 ("ADA") and the regulations promulgated thereunder, as amended from time to time (but excluding the California Education Code requirements and standards for school facilities). All work performed on the Property under this Ground Lease/Use Agreement shall be done in a good and workmanlike manner.

9.6. Mechanics Liens. At all times during the term of this Ground Lease/Use Agreement, County shall keep the Property and all Improvements now or hereafter located on the Property free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Property.

9.7. Ownership. During the term of this Ground Lease/Use Agreement, and for any extended term, title to the Improvements shall be vested in County. Upon expiration or earlier termination of this Ground Lease/Use Agreement, the Improvements shall become District's property in accordance with Section 9.8 and the Cancellation provisions of Article 19, below.

9.8. Surrender. County shall surrender the Improvements at the expiration of the term or earlier termination of this Ground Lease/Use Agreement, free and clear of all liens and encumbrances, other than those, if any, consented to by District. County agrees to execute, acknowledge and deliver to District, at District's request, a quitclaim of all of the County's right, title and interest in and to the Improvements and the Property.

9.9. Demolition. District may require County to demolish certain specified and identifiable Improvements at the end of the term. If, no later than one hundred eighty (180) days prior to the expiration of the term or earlier termination of this Ground Lease/Use Agreement, District delivers to County a written request that certain specified and identifiable Improvements be demolished, then County will, at its sole cost, within a reasonable time after such delivery and pursuant to lawful government permits, demolish such Improvements (including in such demolition removal of debris and rough grading of the portion(s) of the Property affected by such demolition).

ARTICLE 10. **MAINTENANCE, REPAIR, DAMAGE AND DESTRUCTION**

10.1. Maintenance. Except as otherwise provided herein, at all times during the term of this Ground Lease/Use Agreement and for any extended term, County shall, at County's sole cost and expense, keep and maintain the Property and the Improvements in good order and repair, and in a safe and clean condition. Upon the expiration or earlier termination of the term, County shall surrender the Property and the Improvements in good order and condition to the District, ordinary wear and tear excepted. District shall have no obligation to alter, remodel, improve or repair the Property or the Improvements, except District shall have an obligation to compensate County for the costs to restore Property and/or Improvements damaged during District's use of Property and/or Improvements.

10.2. Repair. At all times during the term of this Ground Lease/Use Agreement and for any extended term, County shall, at County's own cost and expense, do all of the following:

10.2.1 Make all alterations, additions or repairs to the Property or the Improvements required by any valid law, ordinance, statute or regulation now or hereafter issued by any federal, state, county, local or other governmental agency, including but not limited to the ADA, and the regulations promulgated thereunder, as amended from time to time (but excluding the California Education Code requirements and standards for school facilities);

10.2.2 Observe and comply with all valid laws, ordinances, statutes, orders and regulations now or hereafter made respecting the Property or the Improvements by any federal, state, county, local or other governmental agency; and

10.2.3 Indemnify and hold District free and harmless from any and all liability, loss, damages, fines, penalties, claims and actions resulting from County's failure to comply with and perform the requirements of this section.

10.3. Damage or Destruction. In the event of damage to or destruction of all or any portion of the Improvements on the Property, County shall within a reasonable time commence and proceed diligently to repair, reconstruct and restore (collectively, "**restore**") the Improvements to substantially the same condition as they were in immediately prior to the casualty, whether or not insurance proceeds are sufficient to cover the actual cost of restoration. County shall be responsible for all insurance deductibles attributable to the Improvements and for all costs of restoration of the Improvements in excess of insurance proceeds for the Improvements. This Ground Lease/Use Agreement shall continue in full force and effect notwithstanding such damage or destruction; provided, however, that the County may, at its option, demolish the Improvements consistent with Section 9.9 and terminate the Ground Lease/Use Agreement.

ARTICLE 11. **INDEMNIFICATION AND INSURANCE**

During the term of this Agreement or as otherwise specified herein, the following indemnification and insurance requirements shall be in effect. Either party, at its sole option, may elect to use a program of self-insurance, commercial insurance, or any combination thereof, to satisfy its insurance requirements herein.

11.1. Indemnification.

11.1.1 County's Indemnification. County shall indemnify, defend and hold harmless District, its Board of Trustees, each member of the Board, its officers, employees, agents and volunteers from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with County's construction, repair, maintenance and other acts and/or omissions arising from and/or relating to County's use of the Premises during the term of this Ground Lease/Use Agreement and any extensions thereof.

11.1.2 District's Indemnification. District shall indemnify, defend and hold harmless County, its elected officials, officers, employees, agents and volunteers, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs,

and expenses (including attorney and expert witness fees), arising from or connected with District's use and ownership of the Premises.

11.2. General Insurance – County Requirements. Without limiting County's indemnification of District and at its own expense, County shall provide and maintain the following programs of insurance.

11.2.1 General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01) with limits of not less than the following:

General Aggregate:	\$4 million
Each Occurrence:	\$2 million

Such insurance shall name the Hacienda La Puente Unified School District, the Board of Trustees and each member of the Board, its officers, employees, agents and volunteers as additional insureds.

11.2.2 Workers Compensation and Employers' Liability insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident.

11.2.3 Property insurance covering damage to County constructed improvements from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30), written for the full replacement cost of the property, and including a Waiver of Subrogation in favor of District.

11.2.4 County Contractors. Throughout the period of any construction, County shall require its Contractors to provide and maintain, or County shall provide and maintain, types and limits of insurance coverage appropriate to the project, at no cost to the District. All Contractor insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the County or the District. The County and District also shall be named as additional insureds under all Contractor general liability coverage.

11.3. General Insurance – District Requirements. Without limiting District's indemnification of County and at its own expense, District shall provide and maintain the following programs of insurance.

11.3.1 General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01) with limits of not less than the following:

General Aggregate:	\$4 million
Each Occurrence:	\$2 million

Such insurance shall name the County, its officers, employees, agents and volunteers as additional insureds.

11.3.2 Workers Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident.

11.4. Review of Insurance Requirements. The types and limits of coverage required under this Agreement may be reviewed annually by the District and the County. Coverage types and limits shall reflect the prevailing practice in the Los Angeles metropolitan area for insuring similar property and casualty risks, and be subject to the mutual agreement of the parties.

ARTICLE 12. **ASSIGNMENT AND SUBLEASING**

12.1. Subleasing. County shall have the right to sublease all or any portion of any Improvements on the Property at all times during the term of this Ground Lease/Use Agreement under the following conditions:

12.1.1 Any sublease shall not conflict with the District's uses as set forth above in Section 5.1.2, except as otherwise agreed to by the District;

12.1.2 The specific use of the subleased space shall be consistent with the County's permitted uses of the Property as set forth in Section 5.1 above. All other uses must have the prior written approval of the District, which approval shall not be unreasonably withheld or delayed;

12.1.3 The term of any sublease shall not extend beyond the term of this Ground Lease/Use Agreement and any extended term;

12.1.4 Any and all subleases shall be expressly made subject to all of the terms, covenants, and conditions of this Ground Lease/Use Agreement;

12.1.5 County shall provide a copy of each sublease to District immediately upon full execution.

12.2. Licenses/Permits. Notwithstanding Section 12.1, the County shall be entitled to issue licenses and/or permits for use of the Improvements and the Property by community groups, organizations and members of the public, and to charge or waive fees for the use thereof, without the approval of the District.

ARTICLE 13. **DEFAULT AND REMEDIES**

13.1. District's Default. District shall not be in default of any of its obligations under this Ground Lease/Use Agreement unless District fails to perform such obligations within a reasonable time, but in no event less than thirty (30) days after written notice by County to District specifying wherein District has failed to perform such obligations; provided however, that if the nature of District's default is such that more than thirty (30) days are required for its cure, District shall not be in default if District commences such cure within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

13.2. County's Remedies. In the event of any default by District as described in Section 13.1 above, subject to all applicable laws that may restrict remedies against a school district, including, but not limited to, restrictions within the California Education Code, County's

remedies under this Ground Lease/Use Agreement are to pursue District for specific performance and/or actual damages, resulting from District's default. County shall have no rights as a result of any default by District until County gives thirty (30) days notice to District, specifying the nature of the default. District shall then have the right to cure such default, and District shall not be deemed in default if District cures such default within thirty (30) days after receipt of notice of the default, or within such longer period of time as may reasonably be necessary to cure the default, provided that District commences cure within such thirty (30) days.

13.3. County's Default. County shall not be in default of any of its obligations under this Ground Lease/Use Agreement unless County fails to perform such obligations within a reasonable time, but in no event less than thirty (30) days after written notice by District to County specifying wherein County has failed to perform such obligations; provided however, that if the nature of County's default is such that more than thirty (30) days are required for its cure, County shall not be in default if County commences such cure within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

13.4. District Remedies. In the event of any default by County as described in Section 13.3 above, subject to all applicable laws that may restrict remedies against a county, including, but not limited to, restrictions within the California Government Code, District's remedies under this Ground Lease/Use Agreement are to pursue County for specific performance and/or actual damages resulting from County's default. District shall have no rights as a result of any default by County until District gives thirty (30) days notice to County, specifying the nature of the default. County shall then have the right to cure such default, and County shall not be deemed in default if County cures such default within thirty (30) days after receipt of notice of the default, or within such longer period of time as may reasonably be necessary to cure the default, provided that County commences cure within such thirty (30) days and thereafter diligently prosecutes the same to completion.

ARTICLE 14. **HAZARDOUS MATERIALS**

14.1. Compliance. During the term of this Ground Lease/Use Agreement, County, at its sole cost, shall comply with all laws, statutes, ordinances, codes, regulations and orders relating to the receiving, handling, use, storage, transportation, discharge, release and disposal of Hazardous Material (as defined below) in or about the Property or the Improvements. All manifests for disposal of any hazardous materials removed from the Property shall be signed by an authorized representative of the County. County shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Property or the Improvements by County or County's Agents in a manner or for a purpose prohibited by any federal, state or local agency or authority.

14.2. Notice. County shall immediately provide District with telephonic notice, which shall promptly be confirmed by written notice, of any and all spillage, discharge, release and disposal of Hazardous Material onto or within the Property or the Improvements, including the soils and subsurface waters thereof, which by law must be reported to any federal, state or local agency, and any injuries or damages resulting directly or indirectly therefrom.

14.3. Indemnification. County agrees to indemnify District against, and to protect, defend, and save it harmless from, all demands, claims, causes of action, liabilities, losses and judgments, and all reasonable expenses incurred in investigating or resisting the same (including reasonable attorneys' fees), which result from County's (or from County's Agents) receiving, handling, use, storage, accumulation, transportation, generation, spillage, migration, discharge, release or disposal of Hazardous Material in, upon or about the Property or the Improvements. District shall be responsible for and shall indemnify, protect, defend and hold harmless County on the same basis as above for any claims which result from District's ownership of the Property or from District's or from District's Agents receiving, handling, use, storage, accumulation, transportation, generation, spillage, migration, discharge, release or disposal of Hazardous Material in, upon or about the Property or the Improvements, not caused by County.

14.4. Survive Termination. County's and District's obligations under this Article 14 shall survive the termination of the Ground Lease/Use Agreement.

14.5. Definition of Hazardous Material. As used herein, the term "**Hazardous Material**" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) petroleum, (ii) asbestos, (iii) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1317), (iv) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq. (42 U.S.C. Section 6903), or (v) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601).

ARTICLE 15. **OPTION TO EXTEND**

15.1. Option to Extend. On or prior to the date which is twelve (12) months before the Term Expiration Date, provided County shall not then be in Default (as defined herein) under the provisions of this Agreement, the County may request to exercise an option to extend this Ground Lease/Use Agreement for an additional term of up to thirty-nine (39) years by providing written notice to District. If County fails to exercise its option as provided for herein, this Ground Lease/Use Agreement shall expire upon the original Term Expiration Date. Upon receipt of a request to extend the term, the District, shall extend the Term Expiration Date for the period of the additional term upon the same terms and conditions of this Ground Lease/Use Agreement, except that District may elect to charge County an annual rental fee, based on the fair market value of the Property, exclusive of the Improvements, at the time of the request.

ARTICLE 16. **QUIET ENJOYMENT AND RIGHT OF ENTRY**

16.1. Quiet Enjoyment. District covenants and agrees that it will not take any action to prevent County's quiet enjoyment of the Property during the term of this Ground Lease/Use

Agreement. District reserves full control over the Property to the extent not inconsistent with County's quiet enjoyment and use of the Property.

16.2. Right of Entry. District reserves the right for any of its duly authorized representatives to enter the Property at any reasonable time for any reasonable actions, including but not limited to (i) inspecting the Property and (ii) posting in such places as District may select notices of non-responsibility for works of construction, repair or improvement made by County. In doing so, District shall not interfere with County's enjoyment and use of the Property and Improvements.

ARTICLE 17. **EMINENT DOMAIN**

17.1. Agreement Governs. In the event of any acquisition of all or any part of the Property, or any interest therein by eminent domain, whether by condemnation proceeding or transfer in avoidance of an exercise of the power of eminent domain or otherwise during the Term or any extension thereof, the rights and obligations of the parties with respect to such appropriation shall be as provided in this Article 17.

17.2. Termination of Agreement. This Ground Lease/Use Agreement shall terminate if the entire Property is permanently taken under the power of eminent domain or if a material part of the Property is taken such that the operation of the Improvements cannot feasibly continue on the remaining portion of the Property. If only a part of the Property is permanently taken under the power of eminent domain and the County can reasonably continue to operate the Improvements as contemplated by this Ground Lease/Use Agreement, this Ground Lease/Use Agreement shall not terminate and shall remain in full force in effect with respect to the remaining portion of the Property.

17.3. Allocation of Condemnation Award. In the event of a permanent condemnation or taking of all or part of the Property at any point during the Term or any extension thereof, the District shall be entitled to any award which may be made in such taking or condemnation to the extent such award relates to the fee title to the Property, and County shall be entitled to any award which may be made in such taking or condemnation to the extent it relates to the Improvements. Nothing contained in this Article 17 shall be deemed to give the District any interest in or to require County to assign to District any separate award, as designated by the condemning authority, and County shall be able to retain any separate award as designated by the condemning authority, made to County for the taking of County's personal property, or the interruption of or damage to County's operations on the Property, except to the extent that the separate award includes damages for lost sublease rent, in which case District shall be entitled to its share of those damages.

ARTICLE 18. **PROPERTY RECORDS**

18.1. Property Records. Within thirty (30) days of the Effective Date of this Ground Lease/Use Agreement, District shall provide to the County copies of all non-privileged or non-confidential books and records of District with respect to the ownership, maintenance, and

operation of the Property, including any appraisals, surveys, engineering, environmental and other reports and analyses of the Property which are in District's possession.

ARTICLE 19. **CANCELLATION**

19.1. Cancellation by County. This Ground Lease/Use Agreement may be cancelled unilaterally by County by providing prior written notice to the District one hundred and eighty (180) days prior to cancellation. Upon cancellation, County shall convey the Improvements and all fixtures, alterations, additions and improvements thereto to District, including, without limitation, a quitclaim deed for the Improvements, assignment of all agreements, guaranties, warranties, and plans and specifications related to the Improvements, and County shall bear all costs and expenses to convey the Improvements to District and District shall not be required to pay anything, except for recordation fees, if any.

19.2. Cancellation by District. This Ground Lease/Use Agreement may be cancelled unilaterally by District upon County's failure to commence construction of the Initial Improvements within five (5) years of the District's approval of the Improvement Plans, by providing prior written notice to the County one hundred and eighty (180) days prior to cancellation. Upon the cancellation date, County shall deliver to District a quitclaim deed in District's favor, describing the Property, executed and acknowledged by County in recordable form releasing and reconveying to District all right, title and interest of County in the Property. Except as provided herein, the District shall not unilaterally cancel this Ground Lease/Use Agreement prior to the original Term Expiration Date set forth in Section 3.2.

19.3. Cancellation During Extension. During any extended term of this Ground Lease/Use Agreement, should the District have a demonstrated need for the property for school purposes, it may unilaterally request cancellation of this Ground Lease/Use Agreement by providing prior written notice to the County one hundred and eighty (180) days prior to cancellation. Upon the cancellation date: (1) County shall deliver to District a quitclaim deed in District's favor, describing the Property, executed and acknowledged by County in recordable form releasing and reconveying to District all right, title and interest of County in the Property; and (2) the District shall bear all costs and expense to convey the Property and Improvements to District and District shall pay County an amount equal to the unamortized costs of the Improvements, calculated using the "actual amounts" expended by the County on the Improvements amortized over a 55-year useful life of the Improvement ("**Compensation Amount**"). The phrase "actual amounts" as used in this Section 19.3 shall mean those reasonable and actual third party out-of-pocket expenses actually incurred by County in connection with construction made in accordance with and pursuant to Article 9 of this Ground Lease/Use Agreement as well as reasonable and actual expenses directly related to employees of County directly working on the design and construction of the Improvements in accordance with and pursuant to Article 9, and excluding the following amounts: salaries of administrative employees, attorneys' fees, accountants' fees, transaction costs, financing costs, and any other overhead costs. The parties agree to work together, diligently and in good faith, to determine the Compensation Amount to be paid by District to County.

19.4. Cancellation by Agreement of the Parties. Notwithstanding Sections 19.1 or 19.2, the Ground Lease/Use Agreement may be cancelled by the mutual agreement of the parties at any time, upon terms and conditions agreed to by the parties.

ARTICLE 20. **GENERAL PROVISIONS**

20.1. Waiver and Modification. No provision of this Ground Lease/Use Agreement may be modified, amended or added to except by an agreement in writing.

20.2. Applicable Law. This Ground Lease/Use Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California.

20.3. Time. Time is of the essence with respect to the performance of every provision of this Ground Lease/Use Agreement in which time of performance is a factor.

20.4. Authority to Execute Lease. District and County each acknowledge that it has all necessary right, title and authority to enter into and perform its obligations under this Ground Lease/Use Agreement, that this Ground Lease/Use Agreement is a binding obligation of such party and has been authorized by all requisite action under the party's governing instruments, that the individuals executing this Ground Lease/Use Agreement on behalf of such party are duly authorized and designated to do so, and that no other signatories are required to bind such party.

20.5. Consents. Whenever consent or approval of either party is required, that party shall not unreasonably withhold or delay such consent or approval, except as may be expressly set forth to the contrary.

20.6. Entire Agreement. The terms of this Ground Lease/Use Agreement are intended by the parties as a final expression of their agreement with respect to the terms as are included herein, and may not be contradicted by evidence of any prior or contemporaneous agreement.

20.7. Severability. Any provision of this Ground Lease/Use Agreement which proves to be invalid, void, or illegal in no way affects, impairs or invalidates any other provision hereof, and such other provisions shall remain in full force and effect.

20.8. Impartial Construction. The language in all parts of this Ground Lease/Use Agreement shall be in all cases construed as a whole according to its fair meaning and not strictly for or against either the District or County.

20.9. Successors. Each of the covenants, conditions, and agreements herein contained shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective administrators, successors, assigns, or any person who may come into possession of the Property, the Improvements or any part thereof. Nothing contained in this Section 20.9 shall in any way alter the provisions regarding subleasing provided in this Ground Lease/Use Agreement.

20.10. Notices. All notices, demands and communications between District and County shall be in writing and given by personal delivery; facsimile transmission; electronic mail; registered mail, return receipt requested, with postage prepaid; Federal Express or other reliable private express delivery, addressed to County or District at the addresses shown in paragraph 2.1.5 above. Unless otherwise directed, any notice required to be given by this Ground Lease/Use Agreement or regarding compliance with this Ground Lease/Use Agreement shall be given to all County representatives listed in paragraph 2.1.5, notice relating to day-to-day operations of the Property and Improvements, including scheduling and programmatic issues may be given to the County Director of Parks and Recreation as listed in paragraph 2.1.5, without notice to the other County representatives. Either party may, by notice to the other given pursuant to this Section 20.10, specify additional or different addresses for notice purposes.

20.11. Counterparts. This Ground Lease/Use Agreement may be executed in one or more counterparts, each of which shall constitute an original.

20.12. Nondiscrimination. District, County and all others who from time to time may use the Property and Improvements described herein with the permission and on the terms and conditions specified by both parties shall not discriminate in any manner against any person or persons on account of race, color, sex, creed or national origin, including but not limited to the providing of goods, services, facilities, privileges, advantages, and the holding and obtaining of employment.

20.13. District Approval. Whenever this Ground Lease/Use Agreement calls for approval by the District of an action implementing the provisions of this Ground Lease/Use Agreement, the Superintendent of the District or his or her designee shall have authority to grant such approval, without necessity of further authorization or approval of the District Board of Trustees.

20.14. County Approval. Whenever this Ground Lease/Use Agreement calls for approval by the County of an action implementing the provisions of this Ground Lease/Use Agreement, the Chief Executive Officer of the County or his designee shall have authority to grant such approval, without necessity of further authorization or approval of the County Board of Supervisors.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Ground Lease/Use Agreement as of the date first above written.

DISTRICT:

HACIENDA LA PUENTE UNIFIED SCHOOL DISTRICT

A school district organized and existing
under the laws of the State of California

By: _____
Barbara Nakaoka, Ed.D., Superintendent

Date: _____

Approved as to form:

Fagen Friedman & Fulfrost, LLP

By: _____
Kathleen J. McKee, Real Estate Counsel

COUNTY:

COUNTY OF LOS ANGELES

A body corporate and politic

By: _____
MICHAEL D. ANTONOVICH
Mayor, County of Los Angeles

ATTEST:

Sachi A. Hamai
Executive Officer, Board of Supervisors

By: _____
Deputy

Approved as to form:

ANDREA SHERIDAN ORDIN
County Counsel

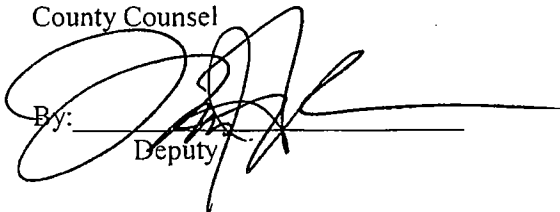
By:  _____
Deputy

EXHIBIT A

HACIENDA HEIGHTS COMMUNITY RECREATION CENTER
LEGAL DESCRIPTION

Lots 40 and 41 of Tract No 1953, as shown on map recorded in Book 22, pages 158 and 159, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

EXCEPTING therefrom the northwesterly 60 feet of said Lot 41

ALSO EXCEPTING therefrom the southeasterly 10 feet of the northeasterly 475 feet of said Lot 40

ALSO EXCEPTING THEREFROM that portion of said Lots 40 and 41 within the following described boundaries.

Beginning at the most southerly corner of said Lot 40, thence northwesterly, along the southwesterly line of said Lots 40 and 41, a distance of 446 feet; thence northeasterly, along a line parallel with the southeasterly line of said Lot 40, a distance of 116 feet; thence southeasterly, along a line parallel with said southwesterly line of Lots 40 and 41, a distance of 238 feet; thence northeasterly, along a line parallel with said southeasterly line of said Lot 40, a distance of 69 feet; thence southeasterly, along a line parallel with the southwesterly line of said Lot 40, a distance of 208 feet to said southeasterly line of Lot 40; thence southwesterly, along said southeasterly line, a distance of 185 feet to the point of beginning

Containing 7.46± acres.

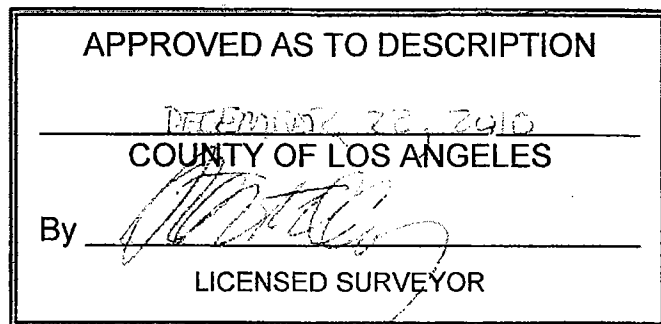


EXHIBIT B**COUNTY RECREATIONAL PROGRAMS**

ACTIVITY	TYPE OF ACTIVITY	DAY	TIME
MONTHLY ADULT DANCE	ADULT	1 DAY / MONTH	NIGHT
BALLROOM DANCE	ADULTS / SENIORS	2 DAY / WEEK	VARIOUS
BINGO	ADULTS / SENIORS	1 DAY / WEEK	VARIOUS
CARD GAMES	ADULTS / SENIORS	2 DAY / WEEK	VARIOUS
ENGLISH CLASSES	ADULTS / SENIORS	3 DAY / WEEK	VARIOUS
PAINTING - BRUSH OR PAINT	ADULTS / SENIORS	2 DAY / WEEK	VARIOUS
SOCIAL DANCE	ADULTS / SENIORS	2 DAY / WEEK	VARIOUS
TAI CHI	ADULTS / SENIORS	2 DAY / WEEK	VARIOUS
YOGA	ADULTS / SENIORS	2 DAY / WEEK	VARIOUS
COMMUNITY MEETINGS	COMMUNITY	TBD	VARIOUS
FIELD TRIP EXCURSIONS	COMMUNITY	TBD	VARIOUS
HEALTH SEMINARS	COMMUNITY	1 DAY / MONTH	VARIOUS
HOLIDAY EVENTS	COMMUNITY	TBD	VARIOUS
KARAOKE NIGHTS	COMMUNITY	2 DAY / MONTH	NIGHTS
MOVIE NIGHTS	COMMUNITY	2 DAY / MONTH	NIGHTS
MONTHLY SENIOR DANCE	SENIOR	1 DAY / MONTH	NIGHT
SENIOR LUNCH	SENIOR	5 DAY / WEEK	NOON
MONTHLY TEEN SOCIAL	TEEN	1 DAY / MONTH	NIGHT
TEEN MEETINGS	TEEN	2 DAY / MONTH	NIGHT
BASKETBALL FREE PLAY	ALL AGES	5 DAY / WEEK	NIGHT
BASKETBALL LEAGUES	YOUTH / TEENS / ADULTS	TBD	TBD
BAKING CLASS	TEENS / ADULTS / SENIORS	2 DAY / WEEK	VARIOUS
COOKING CLASS	TEENS / ADULTS / SENIORS	2 DAY / WEEK	VARIOUS
CROCHETING	TEENS / ADULTS / SENIORS	2 DAY / WEEK	VARIOUS
JAZZERCISE	TEENS / ADULTS / SENIORS	2 DAY / WEEK	VARIOUS
LINE DANCE	TEENS / ADULTS / SENIORS	2 DAY / WEEK	VARIOUS
ARTS & CRAFTS	TEENS / ADULTS / SENIORS	3 DAY / WEEK	VARIOUS
COMPUTER	TEENS / ADULTS / SENIORS	5 DAY / WEEK	VARIOUS
EXERCISE	TEENS / ADULTS / SENIORS	3 DAY / WEEK	VARIOUS
TABLE TENNIS	TEENS / ADULTS / SENIORS	3 DAY / WEEK	VARIOUS
CERAMICS	ALL AGES	3 DAY / WEEK	VARIOUS
PIANO	ALL AGES	2 DAY / WEEK	VARIOUS
SELF DEFENSE	ALL AGES	2 DAY / WEEK	VARIOUS

EXHIBIT C
INITIAL IMPROVEMENT PLAN

EXHIBIT D

GENERAL SCHEDULING CONSIDERATIONS

- A. The County of Los Angeles ("County") and Hacienda La Puente Unified School District ("District") shall cooperate with each other in the scheduling of programs and activities at the Hacienda Heights Community Center ("Community Center"). The District is guaranteed scheduling privileges at the Community Center at a minimum of thirty (30) days per year, of which no more than twenty (20) can be weekend days, with ten (10) days for use by Los Altos High School, ten (10) days for use by Wilson High School, and ten (10) for general use by the District. The District shall give priority to uses that serve the local community around the Community Center. Additional use may be requested and approved at the discretion of the County. The District shall have priority in scheduling events over community groups.
- B. The County and District shall hold bi-annual meetings no later than January 31st and July 31st of each year in order to develop a schedule of use for the Community Center. Said schedule shall include the days, hours, and duration of District's proposal for scheduled use. The schedule shall be subject to approval by the County's Director of Parks and Recreation ("Director"). The Director's approval of the schedule shall be contingent upon there being no conflict with County Recreational Programs and shall not unreasonably be withheld. The bi-annual meetings will also be a forum to discuss and plan future programs and events at the Community Center and to communicate any scheduling difficulties.
- C. The County agrees that the District has the right to hold any District-sponsored activity or District approved community event at the Community Center when scheduled for use by the District. The County shall have the right to deny potential uses by community or outside groups that may be affiliated with the District, which conflict with the County's objectives and purposes.
- D. The District agrees that District activities will terminate promptly at the scheduled time.
- E. Every effort will be made by the County to provide access to parking, based on availability, for District sponsored or District approved events.
- F. The District and County shall provide appropriate supervision for the events that each schedules. The County may request that the District provide additional supervision should the County believe circumstances warrant such action.
- G. The County shall require District to use County staff when necessary to provide operational and/or technical expertise related to lighting and sound for performances and/or facility usage requiring said services. District shall reimburse County for direct staffing costs. Reimbursement shall be due and payable to the Department thirty (30) days from receipt of invoice.

- H. The District shall reimburse County for direct costs associated with staffing of the Community Center for usage outside of regular hours of operation, or for set up and/or tear down of equipment. Reimbursement shall be due and payable to the Department thirty (30) days from receipt of invoice.